



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

December 11, 2001

S. 1632

A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to extend the deadline for submission of state recommendations of local governments to receive assistance for predisaster hazard mitigation and to authorize the President to provide additional repair assistance to individuals and households

*As ordered reported by the Senate Committee on Environment and Public Works
on November 8, 2001*

S. 1632 would authorize the Federal Emergency Management Agency (FEMA) to extend a reporting deadline for certain state funding recommendations. In addition, the bill would authorize FEMA to increase the type of assistance provided to homeowners who have received disaster assistance funds to repair their homes, but who are in need of additional money and cannot get that additional money through insurance proceeds or loans.

Based on information from FEMA, CBO estimates that implementing S. 1632 would cost about \$7 million a year, assuming appropriation of the necessary funds. Under current law, disaster victims (including households or individuals) are eligible to receive housing assistance up to \$5,000. Disaster victims can seek additional assistance for housing repairs by applying for a disaster loan from the Small Business Administration. If a household does not qualify for a loan, no other housing repair assistance is available from the federal government. Under S. 1632, the cap of \$5,000 for housing repairs would be removed. Based on information from FEMA, an average of 4,000 disaster victims can be expected to have housing repairs in excess of \$5,000 who would not qualify for disaster loans. Information from FEMA indicates that disaster victims would seek an average of \$1,800 in additional housing repair assistance.

S.1632 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 1632 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Julie Middleton. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.